UNITED
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General Assembly
Security Council

Distr.
GENERAL

A/51/879
S/1997/322
21 April 1997

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Fifty-first session
Agenda item 58
QUESTION OF CYPRUS

SECURITY COUNCIL
Fifty-second year

Letter dated 17 April 1997 from the Permanent Representative of Cyprus to the United Nations addressed to the Secretary-General

Upon instructions from my Government, I have the honour to draw your attention to new violations of the airspace of the Republic of Cyprus and of the flight information region of Nicosia by military aircraft of the Turkish Air Force, recorded on 11 April 1997.

On 11 April 1997, 18 Turkish F-16 military planes, flying in formation of 4 at a time, from 0820 to 1135 hours, violated the Nicosia flight information region and national airspace of the Republic of Cyprus. The planes flew over the areas of the Monastery of Ayios Andreas and Cape Crecco, and then exited heading towards Turkey.

These Turkish actions heighten tension in Cyprus and are in contravention of the provisions of repeated Security Council resolution on Cyprus, which state that such overflights increase political tension on the island and undermine efforts towards achieving a final settlement. At the same time, such unauthorized intrusions into the Nicosia flight information region and the airspace of the Republic are in violation of international air traffic rules and seriously endanger civil aviation flights over Cyprus.

On behalf of the Government of the Republic of Cyprus, I wish to protest strongly against the new violations of the sovereignty and territorial integrity of the Republic of Cyprus. These violations are in complete disregard of international law, the Charter of the United Nations and the relevant decisions of the Organization on the question of Cyprus. Moreover, they continue to take place at a sensitive phase of the efforts to resume the inter-communal talks under your auspices.

I should be grateful if you would have the present letter circulated as a document of the fifty-first session of the General Assembly, under agenda item 58, and of the Security Council.

(Signed) Nicos AGATHOCLEOUS
Ambassador, Permanent Representative

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General Assembly

Distr.
GENERAL

A/51/880
21 April 1997

ORIGINAL: ENGLISH

Fifty-first session
Agenda items 8 and 149

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

REPORT OF THE COMMITTEE ON RELATIONS WITH THE HOST COUNTRY

Letter dated 18 April 1997 from the Chairman of the Committee on Relations with the Host Country addressed to the President of the General Assembly

I have the honour to refer to my letter of 11 April 1997 (A/51/871) and to inform you of the following.

Today, I received a letter from the United States Representative on the United Nations Economic and Social Council, Ambassador Victor Marrero, dated 18 April 1997, indicating the position of the host country as regards the second part of the recommendation of the Committee on Relations with the Host Country to the General Assembly, which had been transmitted to you in my letter under reference. A copy of the letter of Ambassador Marrero is enclosed herewith (see annex).

I should appreciate it if you would bring the present letter to the attention of the General Assembly, under agenda items 8 and 149.

(Signed) Nicos AGATHOCLEOUS
Chairman
Committee on Relations
with the Host Country

ANNEX

Letter dated 18 April 1997 from the Representative of the United States of America on the Economic and Social Council addressed to the Chairman of the Committee on Relations with the Host Country

Over the course of the past week, the United States Mission has been in intensive consultations with the United Nations Legal Counsel. Following those consultations, the host country made revisions to those elements of the diplomatic parking programme which, according to the legal opinion of the Legal Counsel, raised concerns. We are confident that the revisions that were made will have satisfied those concerns.

Discussions between Ambassador Bill Richardson and Mayor Rudolf Giuliani regarding these revisions and possible changes the City may wish to make with regard to its portion of the diplomatic parking programme as not yet concluded. As a result, I can therefore confirm that the implementation of the programme, including the elements that, according to the opinion of the Legal Counsel, appear not to be in full compliance with international law, has been deferred.

The host city and the host country will continue to expect, however, that parking tickets received by diplomatic vehicles will be paid unless their validity has been challenged.

(Signed) Victor MARRERO
Ambassador

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General Assembly
Security Council

Distr.
GENERAL

A/51/881
S/1997/327
21 April 1997
ENGLISH
ORIGINAL: ARABIC

GENERAL ASSEMBLY
Fifty-first session
Agenda items 33 and 85
THE SITUATION IN THE MIDDLE EAST
REPORT OF THE SPECIAL COMMITTEE TO
INVESTIGATE ISRAELI PRACTICES
AFFECTING THE HUMAN RIGHTS OF
THE PALESTINIAN PEOPLE AND OTHER
ARABS OF THE OCCUPIED TERRITORIES

SECURITY COUNCIL
Fifty-second year

Identical letters dated 16 April 1997 from the Chargé d'affaires a.i. of the Permanent Mission of Kuwait to the United Nations addressed to the Secretary-General and to the President of the Security Council

In my capacity as Chairman of the Group of Arab States for the month of April 1997, and on behalf of the States members of the League of Arab States, I have the honour to transmit to you herewith a copy of resolution 5634 entitled "The Israeli occupation of parts of southern Lebanon and the western Bekaa and the implementation of Security Council resolution 425 (1978)", which was adopted by the Council of the League of Arab States at its one hundred and seventh regular session on 31 March 1997.

I should be grateful if you would have the text of the present letter and its annex circulated as a document of the fifty-first session of the General Assembly, under agenda items 33 and 85, and of the Security Council.

(Signed) Ali AL-SAEID
Chargé d'affaires a.i. of the
Permanent Mission of Kuwait to the
United Nations and Chairman of the
Group of Arab States

ANNEX

The Israeli occupation of parts of southern Lebanon and the western Bekaa and the implementation of Security Council resolution 425 (1978)

The Council of the League of Arab States,

Having examined the note of the General Secretariat and the recommendation of the Political Affairs Committee,

Noting Israel's continued occupation of parts of southern Lebanon and the western Bekaa in flagrant violation of international law and in continuing disregard of Security Council resolution 425 (1978),

Noting also with concern the daily acts of aggression carried out by Israe on Lebanese territory,

Recalling with regret the savage Israeli aggression to which Lebanon, particularly in the southern regions and the western Bekaa, was subjected in April 1996,

Reaffirming Lebanon's right to compensation for the human casualties and damage it suffers owing to repeated Israeli attacks and for the oppressive practices against the peaceful inhabitants of southern Lebanon and the western Bekaa that result from the Israeli occupation,

Recalling the Council's resolutions on Arab solidarity with the Lebanese Government for an end to the Israeli occupation of Lebanese territory, the most recent of which were its resolution 5586 (CVI) of 15 September 1996 and resolution 5573 adopted by the Council at its extraordinary session on 17 April 1996, the resolutions adopted by the Tenth, Eleventh and Twelfth Arab Summit Conferences and the final communiqué of the Arab Summit Conference held in Cairo on 23 June 1996, calling for support and assistance to the Lebanese Government for the rebuilding of the country, and supporting it in confronting the continued acts of Israeli aggression carried out against its territory, people and sovereignty,

Decides

1. To condemn Israel in the strongest terms for its continued occupation of parts of southern Lebanon and the western Bekaa; and to call upon the international community, and upon the United Nations and all its associated bodies in particular, to strive for the implementation of Security Council resolution 425 (1978) calling for Israel's immediate and unconditional withdrawal from all occupied Lebanese territory to the internationally recognized boundaries;

2. To condemn Israel in the strongest terms for its persistence in making repeated attacks on Lebanese territory; and to appeal to the international

community, international organizations and their member States to bring pressure to bear on Israel to pay compensation to Lebanon for the damage caused by its repeated attacks on Lebanese territory, particularly for the attack it launched against Lebanon during April 1996, and to take action to halt the inhumane and oppressive Israeli practices against the peaceful inhabitants of occupied Lebanese territory in the south and the western Bekaa;

3. To reaffirm its support for the efforts of the Lebanese State to extend its sovereignty and authority over all its territory, including the areas occupied by Israel in southern Lebanon and the western Bekaa;

4. To reaffirm the need for States members of the League of Arab States to implement Council resolution 5213 of 5 July 1992 calling for the provision of the assistance for the reconstruction of Lebanon allocated by them at their Tenth Summit Conference;

5. To extend its thanks to those States members of the League of Arab States that have provided the Lebanese Government with financial assistance, and to urge other member States also to make their contributions in order to support Lebanon's resolute stand and rebuild the country.

(Resolution 5634, one hundred and seventh regular session, 3rd meeting, 31 March 1997)

UNITED
NATIONS

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General Assembly
Security Council

Distr.
GENERAL

A/51/882
S/1997/328
21 April 1997
ENGLISH
ORIGINAL: ARABIC

GENERAL ASSEMBLY
Fifty-first session
Agenda items 33 and 85
THE SITUATION IN THE MIDDLE EAST
REPORT OF THE SPECIAL COMMITTEE
TO INVESTIGATE ISRAELI PRACTICES
AFFECTING THE HUMAN RIGHTS OF THE
PALESTINIAN PEOPLE AND OTHER ARABS
OF THE OCCUPIED TERRITORIES

SECURITY COUNCIL
Fifty-second year

Identical letters dated 16 April 1997 from the Chargé d'affaires a.i. of the Permanent Mission of Kuwait to the United Nations addressed to the Secretary-General and to the President of the Security Council

In my capacity as chairman of the Group of Arab States for the month of April 1997, and on behalf of the States members of the League of Arab States, I have the honour to transmit to you herewith a copy of resolution 5635 entitled "Lebanese hostages and detainees held in Israeli camps and prisons", which was adopted by the Council of the League of Arab States at its one hundred and seventh regular session on 31 March 1997.

I should be grateful if you would have the text of the present letter and its annex circulated as a document of the fifty-first session of the General Assembly, under agenda items 33 and 85, and of the Security Council.

(Signed) Ali AL-SAEID
Chargé d'affaires a.i. of the
Permanent Mission of Kuwait to the
United Nations and Chairman of the
Group of Arab States

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ANNEX

Lebanese hostages and detainees held
in Israeli camps and prisons

The Council of the League of Arab States,

Having examined the note of the General Secretariat and the recommendation of the Political Affairs Committee,

Noting with concern Israeli attacks and oppressive practices in the occupied Lebanese territories of southern Lebanon and the western Bekaa, in particular the kidnapping and detention of innocent citizens who are imprisoned without trial in prisons in Israel and in the camps run by forces under Israeli control,

Recalling with deep regret Israel's failure to implement Security Council resolution 425 (1978),

Mindful of the principles of international law concerning the protection of human rights, in particular the Universal Declaration of Human Rights, the fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War of 1949 and The Hague Convention of 1907,

Noting the insanitary and inhumane conditions in which the detainees are kept and in which a number of them have died,

Recalling the relevant resolutions of the United Nations Commission on Human Rights,

Recalling the Council's earlier resolutions on Lebanese hostages and detainees held in Israeli camps and prisons, the most recent of which was resolution 5587 (CVI) of 15 September 1996,

Decides

1. To condemn the persistent Israeli violations of human rights in the occupied regions of southern Lebanon and the western Bekaa, as exemplified by the kidnapping and arbitrary arrest of civilians and the destruction of their homes, the confiscation of their property and their expulsion from their land, as well as by the shelling of peaceful villages and urban areas;

2. To appeal to the international community, and the United Nations in particular, to take all necessary steps to deter Israel from committing such violations and to comply with Security Council resolution 425 (1978), which calls upon Israel to withdraw forthwith, completely and unconditionally, from all Lebanese territory and for respect for the sovereignty, independence and territorial integrity of Lebanon;

3. To appeal to the international community to make all necessary representations to Israel to secure the immediate release of all Lebanese prisoners and victims of kidnapping held in prisons in Israel and in the camps run by forces under Israeli control in violation of the provisions of international law, the fourth Geneva Convention of 1949 and The Hague Convention of 1907;

4. To urge the member States of the League to use their good offices in international organizations so that all necessary representations are made to the Government of Israel, the occupying Power, to enable the International Committee of the Red Cross and other humanitarian organizations to visit the detainees in Khiam and Marj Uyun periodically and on a regular basis, and to ensure that the conditions in which they are being kept are inspected, that they are provided with health and humanitarian care and that their relatives are allowed to visit them regularly;

5. To demand that investigations be held, as required by international treaties, concerning Lebanese detainees who have died in Israeli camps and prisons, and that appropriate compensation be paid for those who have suffered, in accordance with the applicable international law.

(Resolution 5635, one hundred and seventh regular session, 3rd meeting, 31 March 1997)

UNITED NATIONS

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General Assembly
Security Council

Distr.
GENERAL

A/51/883
S/1997/330
21 April 1997
ENGLISH
ORIGINAL: ARABIC

GENERAL ASSEMBLY
Fifty-first session
Agenda items 33 and 85

SECURITY COUNCIL
Fifty-second year

THE SITUATION IN THE MIDDLE EAST

REPORT OF THE SPECIAL COMMITTEE TO INVESTIGATE ISRAELI PRACTICES AFFECTING THE HUMAN RIGHTS OF THE PALESTINIAN PEOPLE AND OTHER ARABS OF THE OCCUPIED TERRITORIES

Identical letters dated 16 April 1997 from the Chargé d'affaires a.i. of the Permanent Mission of Kuwait to the United Nations addressed to the Secretary-General and to the President of the Security Council

In my capacity as Chairman of the Group of Arab States for the month of April 1997, and on behalf of the States members of the League of Arab States, I have the honour to transmit to you herewith a copy of resolution 5633 entitled 'The occupied Syrian Arab Golan', adopted by the Council of the League of Arab States at its one hundred and seventh regular session on 31 March 1997.

I should be grateful if you would have the text of the present letter and its annex circulated as a document of the fifty-first session of the General Assembly, under agenda items 33 and 85, and of the Security Council.

(Signed) Ali AL-SAEID
Chargé d'affaires a.i. of the
Permanent Mission of Kuwait to
the United Nations and Chairman
of the Group of Arab States

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Annex

The Occupied Syrian Arab Golan

- A -

The Council of the League of Arab States,

Having examined the note of the General Secretariat and the recommendation of the Political Affairs Committee,

Having consulted the communiqué issued by the Special Arab Summit Conference held in Cairo from 21 to 23 June 1996, concerning the declaration by Arab leaders that a complete Israeli withdrawal from the Syrian Golan to the line of 4 June 1967 is essential in order to achieve a comprehensive and just peace, and that the building of settlements in the occupied Syrian Arab Golan and the attracting of settlers thereto constitute a violation of the Geneva Conventions and the Madrid Peace Conference, and an obstacle to the peace process,

Following with increased concern and apprehension the continued Israeli occupation of the Syrian Arab Golan, Israel's persistent refusal to apply the United Nations resolutions and to submit to the will of the international community, which considers the Israeli occupation and its decision to annex the Syrian Arab Golan as null and void and lacking validity,

Having carefully studied the situation in the occupied Syrian Arab Golan in the light of the practices of the Israeli occupying authorities in violation of the Charter of the United Nations, international treaties, international law, the United Nations resolutions and the peace process,

Recalling its earlier resolutions as well as international resolutions affirming the inadmissibility of the acquisition of territory by force,

Decides

1. To reaffirm its resolution 4126 of 13 January 1982 and subsequent resolutions, the most recent being resolution 5542 of 21 March 1996, which provides that all measures adopted by the Israeli occupying authorities with a view to altering the juridical, natural and demographic situation in the occupied Syrian Arab Golan are to be rejected and that Israeli measures to extend Israeli sovereignty over the occupied Syrian Arab Golan are to be considered as unlawful and null and void and as constituting a violation of international agreements, the Charter of the United Nations and the United Nations resolutions, in particular Security Council resolution 497 (1981), General Assembly resolution 51/28 of 4 December 1996, which affirmed that the Israeli decision of 14 December 1981 annexing the occupied Syrian Arab Golan was unlawful and null and void and that the Knesset decision of 11 November 1991 for the same purpose was null and void and without validity and constituted a grave violation of Security Council resolution 497 (1981);

2. To call upon the sponsors of the peace process and the international community to assume their responsibility for compelling Israel to comply with the applicable international resolutions calling for complete withdrawal from the occupied Syrian Arab Golan and to assist Syria in its firm position of commitment to the achievement of a just and comprehensive peace in the region;

3. To support the resistance of the Syrian Arab nationals and stand by them in their opposition to Israel's occupation and repressive practices, their persistence in clinging to their land and their Syrian Arab identity, and to reaffirm the applicability of the 1949 Geneva Convention to the citizens of the occupied Syrian Arab Golan;

4. To appeal to the international community, and especially the sponsors of the Madrid Peace Conference on the Middle East, to prevail upon Israel to implement the United Nations resolutions on complete Israeli withdrawal from the Golan to the line of 4 June 1967 and from the occupied Arab territories;

5. To reaffirm the resolute support of the Arab States for Syria's just claim and its right to the return of all the occupied Syrian Arab Golan, based on the foundations of the peace process and the United Nations resolutions;

6. To adhere to the legitimate international resolutions that refuse to recognize or accept any situation resulting from Israeli settlement activity in the occupied Arab territories, considering that such activity is unlawful and creates no rights or obligations, and considering also that the building of settlements and the attracting of settlers thereto constitute a violation of the Geneva Conventions, the Madrid Peace Conference, and an obstacle to the peace process, which calls for an end to all Israeli settlement activity in the occupied Syrian Golan and occupied Arab territories.

- B -

The Council of the League,

Expressing its extreme concern with regard to Israel's continued attempts to thwart the will of the international community and its obduracy in upholding decisions to annex territory which the international community considers null and void, particularly the Knesset decision of 13 March 1996 to approve the preliminary reading of the draft law concerning consolidation of the annexation of the Golan,

Decides

1. To condemn any attempts to consolidate the occupation of the Syrian Golan, considering such attempts as being in defiance of the will of the international community and of legitimate international resolutions, particularly Security Council resolution 497 (1981), which declares Israeli measures in the Golan null and void.

2. To condemn Israeli threats against Syria intended to escalate tension in the region and destroy the peace process.

Res. No. 5633 OS 107 J3 31 March 1997

UNITED
NATIONS

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General Assembly

Distr.
GENERAL

A/51/884
23 April 1997

ORIGINAL: ENGLISH

Fifty-first session
Agenda items 112 and 141

REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES

Note by the Secretary-General

1. Pursuant to General Assembly resolution 48/218 B of 29 July 1994, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, concerning the review of the programme and administrative practices of the United Nations Centre for Human Settlements (Habitat).

2. The Secretary-General takes note of the findings in the report and concurs with the recommendations made in it.

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ANNEX

Report of the Office of Internal Oversight Services on the review of the programme and administrative practices of the United Nations Centre for Human Settlements (Habitat)

SUMMARY

The United Nations Centre for Human Settlements (Habitat) is based in the Gigiri compound in Nairobi along with the United Nations Environment Programme (UNEP). The organization is at a critical point in its life and as such deserves close attention both by its management and stakeholders. On the one hand, it suffers from significant shortcomings in management systems, staffing and approach and there is a need for firmness and continuity in management to overcome them. On the other hand, its basic mandate is very important for many of the United Nations system's stakeholders and it has the potential to play an important role in a reformed and restructured United Nations.

Since March 1993 and until mid-1996, Habitat has been operating in an environment that does not facilitate continuity and consistency in management. For about a year, the Centre was operating through a committee (i.e., the Senior Management Committee) under the overall supervision of the Executive Director of UNEP. The current Head of the Centre was appointed in February 1994. Subsequently, in view of the demanding responsibilities arising from his involvement in the preparation of the United Nations Conference on Human Settlements (Habitat II), the management of the Centre was delegated to an executive team composed of two officials. The delegation was worded in broad terms and did not delineate the boundaries of the respective responsibilities, authorities and accountability of the two officials concerned.

In the absence of leadership, significant shortcomings developed in the management of the programmes and resources of the Centre, both human and financial. A lopsided organizational structure was put in place, concentrating the decision-making on all programmes under one single programme manager, which created a de facto "centre" within the centre. The new organizational set-up did not lead to any improved coordination or integration of the work programme or to a better congruence with the programmatic structure. It reflected unnecessary duplications in functional responsibilities creating confusion and blurring accountability.

The absence of internal instruments to provide collective guidance is apparent. Also apparent is the lack of horizontal and vertical communication between the key actors responsible for programme delivery and resource utilization. There is little indication of policy issues discussed within any particular forum. Thus, issues relating to strategy, priorities, redeployment of resources and the establishment of new organizational units do not seem to have been the subject of collective thinking within the Centre. In this regard, the inspection team noted that the Centre had endeavoured over the

years to establish a number of small offices in various locations in Europe, Latin America and Asia. There is no evidence that the process came about as part of an overall policy strategy. As for decisions relating to personnel and financial matters, they appear to be shaped behind closed doors and to lack transparency. There are also indications suggesting that in some instances decisions taken were personalized.

The Office of Programme Coordination did not fulfil its main functions of coordination and oversight. There is no indication that the various divisions and units at the Centre receive regular guidance from the Office, or that the programme of work is coordinated and integrated in a mutually supportive manner. Thus, the strong linkages between research and technical cooperation are not adequately reflected and there are very few examples of cross-divisional cooperation in producing work programme outputs. As for oversight, there is no effective system for monitoring implementation, assessing results and/or providing feedback to upper management. The problem is compounded by limited oversight from the specialized intergovernmental body, namely, the Commission for Human Settlements, which convenes once every two years.

The internal control system over resources is weak and dispersed. It is compounded by a lack of commitment on the part of management to the internal control process. This is reflected in the placement and the promotion of staff and the control of the staffing table, as well as in the award of contracts. This is also reflected in the conduct of management in addressing a case of conflict of interest brought to its attention by the Auditors early in 1994. The Office of Internal Oversight Services intends to investigate the matter with a view to establishing the responsibility of those involved in the case from the outset and redressing any inappropriate administrative decision that may have been taken in the process.

All of the above factors have combined to create low morale throughout the secretariat and a work environment that does not facilitate efficiency and effectiveness. Such an environment is largely responsible for consuming the reserves and for moving into deficit the Centre's financial position with regard to both the foundation and overhead accounts, affecting adversely the programme of work and the confidence of the donors. Accordingly, the situation of Habitat is serious and should not be allowed to continue. It is serious because there is no assurance that the resources at its disposal are being used effectively and efficiently, and serious also because there is no doubt that the secretariat has a good number of well-qualified and motivated staff who can produce work of real significance to a wide range of clients and stakeholders.

Given the particularly demanding responsibility that the Head of the Centre had to assume in conjunction with the preparation of Habitat II and the amount of organizational energy diverted to this task, some of the shortcomings referred to above may have been unavoidable. However, in view of the serious nature of the problems identified by the inspection team, allowing the current state of affairs to persist for any length of time into the future would be reprehensible.

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 5	5
II.	ISSUES OF SUBSTANCE	6 - 15	5
III.	ISSUES OF ORGANIZATION AND STAFFING	16 - 21	7
IV.	PROGRAMME OVERSIGHT: MONITORING AND EVALUATION	22 - 34	9
V.	ISSUES OF ADMINISTRATION AND INTERNAL CONTROL	35 - 50	11
VI.	RECOMMENDATIONS	51 - 72	16
Appendix.	Organizational chart		19

I. INTRODUCTION

1. Within the framework of the Secretary-General's programme of administrative reform, a team from the Office of Internal Oversight Services conducted a review of the United Nations Centre for Human Settlements (Habitat). The team visited Habitat's headquarters in Nairobi from 24 September to 1 October 1996. This was followed by a one-day visit to Geneva, where contact took place with the Habitat office located there.

2. In the time available, the team attempted to examine whether Habitat's programme of work was properly conceived, implemented and assessed and whether the secretariat was operating in an environment that facilitated efficiency and effectiveness.

3. The team met with the Head of the Centre and conducted extensive interviews with most staff in managerial positions, as well as with staff entrusted with financial control functions. The team also sought the view of some representatives of States, members of the Commission on Human Settlements and major donors.

4. Upon completion of the field work, the team examined a substantial amount of internal communications, documents, administrative issuances, policy directives, minutes of meetings, audit and evaluation findings and job descriptions. The conclusions and recommendations have been designed in order to enable the Centre better to discharge its responsibilities. Their implementation requires special efforts, cooperation and candid introspection by staff and management alike.

5. The team greatly appreciates the cooperation extended to it by the Centre's staff at various levels during this review. It also notes with satisfaction that the management of the Centre concurs with all the recommendations made.

II. ISSUES OF SUBSTANCE

6. A global conference on human settlements has just been completed with success. With the renewed mandate emerging from that conference, the Centre can reinvent itself and potentially be of significance to a wide range of clients, Governments of both donor and recipient countries, and to local authorities.

7. The Centre describes itself as "responsible for the formulation and implementation of the human settlements programme of the United Nations. As such, it serves as a think-tank within the United Nations system, utilizing its research and technical analysis capacity to enable Governments to improve the development and management of human settlements. Its operational activities combine technical advice, applied research, training and information".

8. The stated goals of the Centre are "to assist Governments in policy and strategy formulation to improve the living conditions of people in their communities by expanding access to adequate shelter, infrastructure and services for all ... and to strengthen the capacity of national Governments and local

authorities to mobilize public and private resources and to improve urban environmental conditions and productivity".

9. Since the Conference on Human Settlements (Habitat II), held at Istanbul from 3 to 14 June 1996, the Centre has, according to some of its senior staff, had two special characteristics. Unlike many of the United Nations entities that provide norms and set standards in different technical areas and sectors and then provide technical cooperation to Governments in support of that function, they claim that the Centre has services to offer that are of value to both developed and developing countries. As such, they assert, the Centre has a more comprehensive reach than some of the older sectoral agencies of the United Nations system. Further, in their view, by establishing relationships with local authorities and municipalities, which became Habitat's immediate interlocutors, a new layer of active participants is added to the international community.

10. These dimensions were being included in a post-Istanbul reflection that had begun by the time of the team's visit. The team concurs that it is important and urgent for the Centre to rethink itself in the post-Istanbul period. In so doing the need to improve internal controls and to increase efficiency should be part of the final vision and the latter should also contain a clear plan for its implementation.

Programmes

11. Habitat's programmes are funded partly by the United Nations Development Programme (UNDP), partly by the Habitat and Human Settlements Foundation which was incorporated into the Centre in 1977 and partly by trust funds established by individual donors. The share of the regular budget amounts to roughly 13 per cent of the $100 million managed by the Centre. UNDP funding has remained fairly stable at around $20 million per annum over the period 1990-1995.

Identification

12. About one half of Habitat's projects are funded by UNDP. Those that are funded through the country indicative planning figures are identified by the country programming process. There are in addition other programmes, for example, elements of the Sustainable Cities Programme, that are funded by global/regional resources of UNDP. These are identified by the relevant UNDP process in programmes presented to the Executive Board of UNDP.

13. The other half of Habitat's activities in technical cooperation is supported by trust funds. Here identification appears to be more supply driven. Certain donors are known to be willing to support work in certain areas and certain recipients wish to benefit from support in these areas and so a fund is created to meet these needs. There is also some linkage between the projects identified and the research programme of Habitat, but although it was claimed that there is almost always such a linkage, it was not fully apparent that it exists in reality. The clear impression gained from both a review of the documentation and interviews with staff is that there is very little effective

linkage between the research and programme functions in Habitat. This needs to be addressed in any reinvention of the institution.

Synergy in design and appraisal

14. The team was not able to examine Habitat's programmes in detail. There appears to have been some lack of a central thrust in recent years and while some programmes are clearly defined and respond to strongly identified needs within recipient countries others appear to be more supply driven.

15. Furthermore, it is not clear that all the possibilities for synergy that exist between programmes are being exploited. For example, as a result of an internally generated exercise, Habitat's management recognized that there was a striking degree of similarity between the Sustainable Cities Programme and the Community Development Programme, which could justify some rationalization and redeployment of resources. The internal review also noted that the Settlement Infrastructure and Environment Programme was a capacity-building programme as were the Sustainable Cities Programme and the Community Development Programme. This is good, but the evident need for a systematic approach to capacity-building in all three instances does not appear to have been drawn.

III. ISSUES OF ORGANIZATION AND STAFFING

16. The organizational structure of the Centre consists of two main offices, each headed by a senior official at the D-2 level (see appendix to the present report). Of the two offices, the most important in terms of its size and overall influence is the Office of Programme Coordination, which oversees all substantive and technical cooperation activities as well as the information, editorial, monitoring and evaluation functions. As such, this office comprises 82 Professional staff, i.e., over 80 per cent of the total Professional strength of the Centre (104 Professionals). The second office discharges functions of a programme support nature, grouping together responsibilities of a front office, a special programmes unit, an administrative unit, external relations and fund management.

17. The team examined the functions of the two offices and their components and could not find any programmatic or administrative rationale for the lopsided organizational structure which was not congruent with the programme structure. The responsibility of the various organizational elements is presented in broad terms which does not delineate their respective authority or the interlinkages and synergies between various divisions, sectors and units. Also, absent from the organizational chart are the various offices away from Nairobi. The functions and responsibilities of these offices as well as their links to the Centre's headquarters are unclear. In the team's view, the organizational structure of the Centre does not provide a clear picture of the existing lines of authority. The above situation is further compounded by the absence of a clear delegation of authority to various levels of management, the proliferation of small units, the duplication in the functional responsibilities of programme managers, the incompatibility between job descriptions and the actual responsibilities discharged by the incumbents and the presence of a number of senior staff with no apparent functional responsibilities.

18. In the team's view, a written delegation of authority was particularly essential in the Centre where all substantive activities are clustered under one individual manager and where the Head of the Centre had to be frequently absent owing to his heavy involvement in the preparations for Habitat II. This is in addition to the fact that there is no institutional framework for collective guidance to rationalize the decision-making process.

19. Few instruments exist to assist the Head of the Centre in providing guidance and advice. In June 1994, he announced the establishment of an Executive Team, composed of the two most senior officers, to assist him in the overall management of the Centre. He also established a Senior Managers' Group, which included the heads of divisions and the officials of the Habitat II secretariat. The team did not come across any document that describes the role and functions of the Senior Managers' Group. A review of the minutes of the Group's meetings suggests that it was mainly involved in preparatory work for the organizational aspects of Habitat II. Issues of coherence and coordination relating to the preparation of the Centre's programme of work were assigned to ad hoc interdivisional working groups, established by and reporting to the Director of the Office of Programme Coordination. There is no indication of the degree of involvement of the Senior Managers' Group in the process of programme formulations or in the shaping of policies and/or priorities of work to reflect the post-Habitat mandate. In this connection, the team noted that, on 16 August 1996, a Programme Review Committee was established to advise and make recommendations on the quality of project design to the Director of the Office of Programme Coordination who also chairs the Committee. The Committee does not appear to play any role on matters relating to overall programme formulation, coordination and integration. It functions more as a project appraisal group with no authority to approve projects.

20. In the team's view, the absence of a forum for constructive dialogue, through collective instruments established for that purpose, has created a large gap between higher, middle and lower management. More importantly, it has paved the way for a unilateral, and at times personalized, management approach. In this respect, the findings suggest that, over the last three years, the decision-making process has more often than not been shaped by the Director of the Office of Programme Coordination who, because of the lack of clarity as to who is in charge of the Centre during the absence of the Head of the Centre, became the de facto manager of the Centre. There is enough evidence to suggest that this situation has blurred accountability and is in no small measure responsible for a number of the anomalies in the administrative practices identified by the team.

21. In terms of staffing, the team noted that the staffing table did not include the project staff outside Nairobi and as such did not provide a comprehensive picture of all staff administered by Habitat. It also noted that at least 40 per cent of the Centre's Professional strength consists of "L" category posts (technical assistance project personnel under the 200 series of staff rules) funded from extrabudgetary sources, i.e., Foundation, funds in trust, overhead and other bilateral arrangements. The "L" category posts are not subject to the stringency of the United Nations rules and regulations with regard to recruitment and promotion. They are essentially managed locally by the Habitat secretariat. There is a wide perception among the staff that, in

recent years, advancement and promotions under this category have become ad hoc and arbitrary, which has given rise to resentment and unrest. The team is of the opinion that a more transparent mechanism and criteria for recruitment and promotions of the "L" category posts is necessary, if only to maintain comparability in standards and quality.

IV. PROGRAMME OVERSIGHT: MONITORING AND EVALUATION

22. The responsibility for programme oversight is entrusted to the Office of Programme Coordination. Based on its interviews and analysis of documentation made available, the team has many doubts about the effective discharge of these responsibilities. There is little evidence of concerted efforts to coordinate the programme of work. Thus, activities proposed by the two main divisions, namely, the Technical Cooperation Division and the Research and Development Division, do not seem to be coordinated or integrated into a comprehensive programme structure. As a consequence, the programmes are not supportive of each other and resources are spread thinly. In fact, the two divisions function largely independently of each other. In the opinion of the team, the lack of an integrated and coherent approach to formulating the programme does not bode well in a situation of limited financial resources where every effort should be made towards a more focused programme of work with mutually supportive activities in order to maximize its impact. In this connection, it is worth noting that during the fifteenth session of the Commission on Human Settlements, some delegations expressed their concern over the tendency of the Centre to spread its resources on activities that were largely tangential to its mandate and expressed the hope that the programme of work would remain focused on human settlements development as its prime objective.

23. As regards monitoring the implementation of the programme, the team was advised that a monitoring component was built into the Centre's research activities. The team was not shown any results of this or any indication of how the content or the management of research had been modified in the past as the result of the built-in monitoring. The conclusion, therefore, is that the monitoring is passive at best rather than proactive.

24. The team reviewed a large number of activities/outputs that had been reported as implemented within the context of the 1994-1995 proposed programme budget. In many instances, the number of resources reported as "utilized" for the production of specific outputs were grossly exaggerated. In other instances, the outputs reported as "implemented" were the products of technical cooperation projects. Yet, their content was closely related to the core work of the Centre and would be better defined in programme budget terms as substantive activities. The team believes that this matter should be clarified, in terms of both a clearer citation of outputs in the programme budget presentation and a separation in the reporting between the core-type activities listed in the programme budget document and those emanating subsequently from operational activities.

25. In the absence of an internal system that perceives monitoring as a management tool, the Centre's reports for inclusion in the Secretary-General's biennial report on programme performance were incomplete and at times

misleading. In this regard, the team did not come across any guidance or directions provided to managers by the Office of Programme Coordination to ensure that the reporting exercise is conducted in a responsible and reliable manner.

26. In fact, the team did not come across any system to assess organizational performance in Habitat's two basic goals, namely, that of assisting Governments in policy and strategy formulation to improve the living conditions of people in their communities and that of strengthening the capacity of national Governments and local authorities to mobilize public and private resources to improve urban environmental conditions and productivity.

27. The connection between the overall goals and the work of human settlements officers and their respective chiefs in the technical cooperation and research departments was not apparent to the team. Even at the project level, there is only a system for tracking the expenditure against project budgets and that appears to suffer from a shortage of electronic data-processing equipment. In talking with managers, there was no sense given to the team that they were tracking progress against the objectives of the project or programme for which they were responsible, let alone against the objectives of the organization. The exception to this is the Sustainable Cities Programme, which appears to be well conceived, based on genuine global priorities while responding to national needs, and well and enthusiastically managed.

Appraisal and institutional memory

28. Projects and programmes are appraised formally by a Programme Review Committee. The Committee was set up on 16 August 1996 and at the time of the inspection team's visit had met twice. Prior to its existence, programme and project review appears to have been carried out on an ad hoc basis, with the deciding voice being that of the head of the Technical Cooperation Division. Thus, it is difficult to discern that clear criteria have been used consistently in the appraisal of a project proposal or that there has been much use of lessons learned about implementation or effectiveness.

29. To give just one example, there was a joint evaluation carried out by the Danish International Development Agency (DANIDA) and Habitat on a training programme for community leaders, for which DANIDA and Habitat had spent some $7 million from 1988 to 1994.

30. The evaluation found that:

> "The Programme has produced a wealth of activities potentially contributing to the definition of local shelter strategies, but problems relating to political and economic difficulties were underestimated at the outset of the Programme. The project documents reveal generally loose project designs both at programme and project level, this being explained as a need for flexibility to accommodate community priorities. The programme design did not include investment funds for physical urban upgrading. The country projects, therefore, all work in close parallel with [donor-funded] investment programmes, and have definitely contributed to making these programmes more effective. Only on a very limited scale

has it proved possible to raise resources for physical urban upgrading from within the local communities themselves."

31. The evaluation also noted:

"The amount of research undertaken by the programme is less than impressive. There appears to be a lack of capacity to confront fully the most basic concepts of the Global Shelter Strategy, a problem which is probably linked to the mandate of Habitat to actively promote the Strategy. The programme has not made any important contributions to the mainstream international research debate on participation."

32. The team is not in a position to judge the validity of these conclusions but they appear to be sound and based on a professional analysis; yet, they do not appear to have left any trace within Habitat's institutional memory. Indeed there is little evidence that Habitat has an institutional memory in the sense that it is capable either of presenting in a succinct form the essential lessons of working in the field of human settlements over the last 25 years, or that it would be possible to construct a computerized expert system based on the knowledge recorded and available within Habitat that could respond to basic randomly generated questions in this area. In this connection, the team was informed that the Centre did not have any centralized reference unit for reports and outputs emanating from projects over time. The team is of the opinion that, if Habitat is to be the world's repository of basic knowledge and wisdom about human settlements then this aspect needs to be addressed as part of the post-Istanbul reinvention.

33. A simple step in this direction would be to record in a succinct and simple form the principal lessons learned from Habitat's experience over the last five years in at least two of the main areas in which Habitat will be active in the foreseeable future and then see whether the lessons learned have improved the quality of programme and projects design and implementation.

34. The secretary of the Programme Review Committee is the newly appointed Evaluation Officer, who is now involved ex officio in the appraisal of projects. It is desirable to involve the evaluation office in the design of the appraisal and approval system of separating good proposals from those that are less good and subsequently in the evaluation of the success of that system. However, given the responsibility that the evaluation function has to assure senior management and stakeholders of the integrity of the appraisal and implementation processes and the results coming out of them, it is undesirable that the evaluation office should be asked to pronounce itself at the proposal stage on topics that in due course it will need to evaluate.

V. ISSUES OF ADMINISTRATION AND INTERNAL CONTROL

35. The administrative and financial management of the Centre was the subject of a series of internal and external audits during the period 1994-1996. The audit reports identified a large number of administrative deficiencies, which addressed the broad issues of control at the Centre and highlighted the unjustified use of reimbursable loan agreements, the inadequate control over the

selection of hiring of outside expertise leading to higher fees and selection of insufficiently qualified candidates. The team reviewed the initiatives taken by management to address the aforementioned deficiencies and came to the conclusion that the concrete action taken so far is too little and too late.

36. In the opinion of the team, the above situation could be attributed to two main considerations, with the second being the outcome of the first. First and foremost, is the overall attitude of management and staff in key positions regarding the issue of accountability, as well as their awareness of internal control objectives and the necessity to comply with the related procedures. From the interviews conducted and other documented evidence, the team's findings suggest that, more often than not, internal controls are being perceived as a delaying bureaucratic exercise. In one instance, a managing director chose to disregard an important audit observation and described it as "almost insidious".

37. Second, the Executive Office is too weak to discharge with authority the complex administrative problems of the Centre, let alone to redress the weaknesses that accumulated over the years, or to initiate sound administrative procedures. The level of the Chief (P-4) is too low to exercise the needed authority, more so when it is incumbered by a P-3 officer supervising a P-4, a P-2 and a P-1. In the team's opinion, the quality of the staff in the Executive Office should be upgraded through staff training in budgeting and personnel administration. This would enable the Office to provide proper advice on all matters relating to the authorities delegated to the Head of the Centre and pertaining to the administration of the staff and financial rules and regulations.

38. The team wishes to stress that the strengthening of the Executive Office, in itself, will not bring the desired improvement in the administrative and financial management of the Centre. In the team's view, it is of the utmost importance that management support and cultivate a positive attitude towards the internal control process as part and parcel of sound administrative procedures. The perception that strong recognition is given to internal control is, by itself, an indication to staff that management takes its operating environment seriously.

39. The various anomalies observed in the areas of human and financial resource management do not suggest that the secretariat of the Centre is operating in an environment that facilitates efficiency and effectiveness. In the view of the team, the situation at the Centre is serious and should not be allowed to continue. It is serious because the anomalies are not isolated cases, but represent a pattern that cuts across various aspects of resource management at the Centre. Examples of such anomalies are illustrated in the following paragraphs.

40. The team could not sense any effort to keep the staffing table under control in accordance with the provisions in the programme budget. It could not sense either that the basic personnel regulations are observed. Examples include:

(a) The assignment of technical advisers (200 series staff) to carry out line functions which should be performed by 100 series staff;

(b) The duration of such assignments lasted for well over two years without the posts being advertised and in spite of the explicit ruling of the Office of Human Resources Management on the matter communicated to the management;

(c) The use of the services of consultants for long durations to carry out line functions;

(d) The appointment of external candidates beyond 12 months against established posts;

(e) The placement of staff against posts without providing job descriptions and/or against posts that do not exist in the organizational chart;

(f) The placement of staff against existing posts with defined functions and having them perform totally different duties;

(g) The reshuffling of staff with permanent appointments and funded from the regular budget to posts funded from extrabudgetary resources or overhead, without their knowledge or apparent justification;

(h) The exaggerations of the duties and responsibilities in job descriptions to justify the classification of the post at a higher level.

41. With respect to financial management, the team noted that the authority to disburse funds is delegated to 12 certifying officers without any apparent system of central overall control to monitor the situation. This is particularly true in the project accounts. In the view of the team, the weakness of internal control is in no small measure responsible for the series of questionable contracts awarded in recent years. These contracts, along with other financial practices, were the subject of numerous audit observations. This weakness is also apparent in the way consultancies are administered. A review of most consultancies during the biennium 1994-1995 pointed out a series of inefficiencies and anomalies. In many cases, the management was unable to provide the team with all the requested material needed for the above review. There were cases in which no original contracts in the form of reimbursable loan agreements or special services agreements could be provided for review. In other cases, the terms of reference were vague on the nature of the final outputs to be delivered. The absence of terms of reference, or their updates, was especially troublesome considering the practice of introducing many amendments to the original contracts, bringing the total amount of money paid to the consultant to hundreds of thousands of dollars. In addition, not all consultant reports could be provided for the team's review, even when the special services agreement clearly specified that a report was expected as a final output. There were also instances where the reports submitted were not related to the missions undertaken by the consultant. Thus, it was not always possible to assess whether the Centre was obtaining value for the money paid. In this regard, the team noted that the allocations for contracts and services during the biennium 1994-1995 amounted to some $12.8 million, i.e., 12 per cent of the total resources available to the Centre. In the team's view, the actions of the certifying and approving officers in handling consultancies is questionable.

42. In the team's view, the situation described above is in no small measure responsible for the financial difficulties encountered by the Centre. These difficulties are manifest in the imbalanced distribution of resources, with an increasing share of other expenditures to support programme activities, and the excessive use of overhead income (86 per cent) for expenditure on posts (i.e., 23 per cent of the total staffing of the Centre). It is also the team's view that the perception of poor financial management must have contributed to the reluctance of donors in recent years to make further general contributions to the Foundation until it becomes clear that the Centre has an efficient mechanism for controlling and rationalizing expenditures.

43. The team took note of the fact that the management of the Centre is well aware of the above imbalance in the pattern of expenditures and their causes. Thus, in March 1996, the Head of the Centre established a Review Group composed of senior managers to examine the financial situation of the Centre and make proposals for corrective action. The Group's report concluded that there were several inherent problems which called for a total revision of the allocation of human and financial resources within the Centre. It pointed out that the situation was threatening the Centre's ability to ensure the execution of the major programmed activities under the 1996-1997 approved budget and made some recommendations and proposals to address the situation.

44. The team did not come across any document or issuance reflecting the management's position or reaction to the proposals made by the Group. If implemented, these proposals may well bring the situation under control, but not for long. A longer term solution would very much depend on management's commitment to the need and to the importance of internal control. It would also depend on establishing, on a priority basis, the proper infrastructure for internal control in the form of an integrated computerized system between the project certifying officers, on the one hand, and the administrative unit in Habitat and the United Nations Office at Nairobi, on the other hand. At present the system is inadequate, causing delays up to three months in reconciling final expenditures under the various projects. The staffing table control also becomes more difficult because of this lack of interface between programme managers and those dealing with budget and personnel matters.

45. In the course of its review, the team followed up on earlier observations by the African Section of the Internal Audit and Management Division of the Office of Internal Oversight Services which were communicated to the management of the Centre in February 1994. In a separate report, the Auditors raised a serious case of possible conflict of interest between an official of the Centre and a consultancy firm which is regularly awarded important contracts under the supervision of that same official. In this regard, the Auditors recommended that the management conduct a thorough investigation of the matter to establish the responsibility for any inappropriate action of the staff member of the Centre involved and to strengthen the control over the hiring of individuals or corporate contractors closely associated with staff members at the Centre.

46. The team noted that the reaction of the management to the above observations was passive and at times negative. In fact, throughout 1994, business continued as usual. It was not until a year later that tangible action was taken by the management, through the establishment of a panel, to

investigate the matter brought about by the Auditors. The panel convened in February 1995 and concluded that there was indeed a case of conflict of interest, which should have warranted more adequate control at all levels in the Centre to ensure the removal of the official concerned from functions of both supervisor and certifying officer of all contracts extended to the firm in question. On the issue of responsibility for inappropriate action, the panel treated the problem as systemic. The Panel's report was forwarded to the management of the Centre and to the Department of Administration and Management at United Nations Headquarters.

47. Paradoxically, in spite of the recommendations of its own panel of inquiry, the management did very little to address the issue. Evidence presented to the team suggests that business continued as usual throughout 1995 and contracts were awarded to the consultancy firm. The staff member who had been a partner in the firm before joining the United Nations was still entrusted with the same responsibilities and has been recommended by the management for promotion to a higher level. This prompted the Chief of Administration of the United Nations Office at Nairobi to express his strong concerns to the management on 27 February 1996, and to recommend that no contract be awarded to the firm in question as long as the staff member was on board.

48. At the time of the team's visit to the Centre in September 1996, there was still little indication that the problem had been addressed. Furthermore, in the discussion held on this matter with the senior management of the Centre, the team did not receive any categoric answer or indication that imminent action was about to be taken to resolve the issue of conflict of interest. In the circumstances, the team could not subscribe any longer to the conclusions of the panel referred to earlier, attributing the responsibility to a systemic problem. In the view of the team, the management's continuous disregard of all the findings, conclusions and recommendations to put an end to this anomaly is highly questionable, more so when the issue is basically one of ethics. A special investigation into the circumstances leading to this situation is warranted.

49. Another action that is highly questionable is the management's decision to reassign a senior officer who, by virtue of his responsibility, has been urging the management since February 1994 to address the issue of conflict of interest. The reassignment of this officer from functions in which he is most suitably qualified to other duties with ill-defined responsibilities in the front office, did not appear to respond to any project of quality improvement. The team could not find any solid grounds for such a reassignment and could only surmise that the action was punitive in nature and/or to allow the continuous disregard of the conflict of interest issue and to conduct business as usual.

50. In the team's view, there are enough indications of "inappropriate action" for which individuals and not a system is responsible to warrant an investigation of the matter. In the meantime, and pending the completion of the investigation, the recommendations of the Chief of Administration of the United Nations Office at Nairobi dated 27 February 1996 and addressed to the Officer-in-Charge of the Centre should be complied with.

VI. RECOMMENDATIONS

51. The Centre is currently reviewing its programme to address the post-Habitat II requirements. The new programme should be more focused, better integrated and reflect the strong linkages between research and technical cooperation. It should also integrate the functions of the field offices within the overall programmatic structure. (SP-96-002-1)

52. The secretariat of the Centre should be reorganized along the programmatic lines decided upon. Any reorganization should be more aligned to the programme structure and its organizational elements mutually supportive of each other. It should also take into account the constraints imposed by the scarcity of resources, and avoid the fragmentation of those resources over small units. (SP-96-002-2)

53. The functions of the various organizational elements, as well as the lines of authority and linkages between them, should be clearly articulated in a document that should be made available to all staff. (SP-96-002-3)

54. The strengthening of regional activities should be part of a well-articulated policy strategy and should adhere to the criteria set by the Commission on Human Settlements at its fifteenth session in resolution 15/7. (SP-96-002-4)

55. Authorities delegated to senior officials and heads of divisions should be documented and their responsibility and accountability spelt out in a clear manner. (SP-96-002-5)

56. There is a need for a mechanism to monitor organizational performance and evaluate it and to report thereon directly to the Head of the Centre. This mechanism should be provided with the authority and capacity to evaluate the efficiency, effectiveness and impact of Habitat's technical analysis and research, as well as its technical cooperation activities and their effectiveness in achieving the organization's goals. (SP-96-002-6)

57. Habitat should separate the project appraisal function from the monitoring and evaluation function. (SP-96-002-7)

58. The need for an institutional memory that serves the needs of operational units and stakeholders is urgent. (SP-96-002-8)

59. Adding consideration of lessons learned to the design process of projects is as important as increasing the rigour of the appraisal process. (SP-96-002-9)

60. The recruitment and promotion of staff under the "L" category posts should be conducted through a reviewing body and in accordance with clearly established criteria. (SP-96-002-10)

61. The assignment of advisers under the 200 series of staff rules to carry out line functions and supervise staff under the 100 series of staff rules should be discontinued immediately. (SP-96-002-11)

62. The qualifications of staff in senior positions both in the Professional and "L" categories, should be reassessed to ascertain their suitability for discharging the responsibilities of the post they are incumbering. (SP-96-002-12)

63. The job descriptions should be reviewed to align the functions with the actual responsibilities discharged and eliminate any unnecessary duplication. (SP-96-002-13)

64. Regular cabinet meetings and other internal institutional mechanisms should be established immediately, to advise management on policy issues relating to the programmes and their execution. (SP-96-002-14)

65. Management should invest time in establishing and improving horizontal and vertical communications within the secretariat to break compartmentalization. (SP-96-002-15)

66. It is necessary to increase transparency and information on all important matters of concern to the staff, through regular issuances and/or staff meetings. (SP-96-002-16)

67. For the sake of strengthening financial control, a clear segregation should be introduced between the certifying and approving responsibilities. Accordingly, all accounts irrespective of the source of funding should be approved by the Finance Section of the United Nations Office at Nairobi. The United Nations Office at Nairobi should also control the staffing table. As to the certifying responsibilities for regular budget accounts, Foundation and overhead accounts, they should be centralized under a "Fund Management and Administrative Office" which would combine the Fund Management and the small Executive Office. The Programme Management Officers operating under the various clusters of technical cooperation projects would certify their respective projects' accounts only. (SP-96-002-17)

68. The allocation of overhead support cost between programmes and objects of expenditures should be reviewed by a committee established for that purpose. (SP-96-002-18)

69. Compliance with the Audit recommendations should be given the priority it deserves. (SP-96-002-19)

70. An integrated local area network (LAN) computing system or other measures should be established on a priority basis to facilitate the interface between the programme management offices, the fund management and the finance and account functions. (SP-96-002-20)

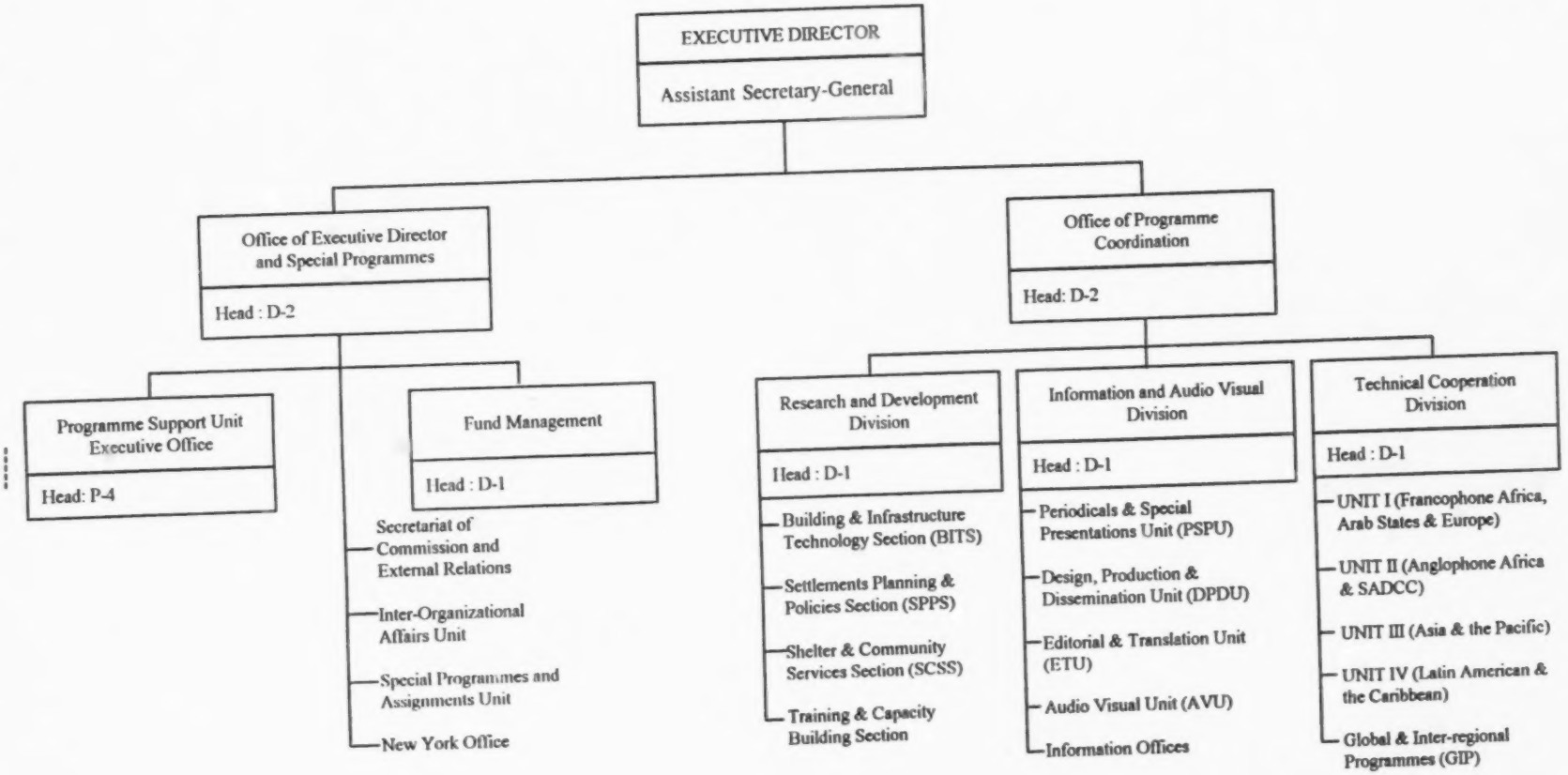
71. Management training should be introduced at various levels of management and on-the-job training for administrative staff. (SP-96-002-21)

72. The Department of Administration and Management should monitor more rigorously the authorities delegated to the management of the Centre in order to ensure that they are properly exercised. (SP-96-002-22).

(Signed) Karl Th. Paschke
Under-Secretary-General for
Internal Oversight Services

Appendix

United Nations Centre for Human Settlements (Habitat)
Organizational Chart
As of 1 August 1996


EXECUTIVE DIRECTOR
Assistant Secretary-General
Office of Executive Director and Special Programmes
Head : D-2
Programme Support Unit Executive Office
Head: P-4
Fund Management
Head : D-1
Secretariat of Commission and External Relations
Inter-Organizational Affairs Unit
Special Programmes and Assignments Unit
New York Office
Office of Programme Coordination
Head: D-2
Research and Development Division
Head : D-1
Building & Infrastructure Technology Section (BITS)
Settlements Planning & Policies Section (SPPS)
Shelter & Community Services Section (SCSS)
Training & Capacity Building Section
Information and Audio Visual Division
Head : D-1
Periodicals & Special Presentations Unit (PSPU)
Design, Production & Dissemination Unit (DPDU)
Editorial & Translation Unit (ETU)
Audio Visual Unit (AVU)
Information Offices
Technical Cooperation Division
Head : D-1
UNIT I (Francophone Africa, Arab States & Europe)
UNIT II (Anglophone Africa & SADCC)
UNIT III (Asia & the Pacific)
UNIT IV (Latin American & the Caribbean)
Global & Inter-regional Programmes (GIP)